Involvement of an RBI Employee in Circulation of Fake Currency Notes

4649. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that involvement of an employee of the RBI in ISI's fake currency note circulation has come to light recently;

(b) if so, what are the details thereof; and

(c) what action has been taken by Government in this matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) No, Sir.

(b) and (c) Do not arise.

Loss to Co-operative Banks in NE Region

4650. SHRI KHAGEN DAS: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Co-operative Banks in the North-East region are suffering from heavy loss due to introduction of Non-performing social classification;

(b) if so, whether normal credit flow to the rural people is being hampered; and

(c) whether Government would consider sanctioning one time grant for cleansing Balance Sheets of the Co-operative Banks of the NE region?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) No, Sir. National Bank for Agriculture and Rural Development (NABARD) has reported that as a result of the introduction of prudential norms there has not been any adverse effect on the financial position of banks. The banks in the North-Eastern region have been suffering mainly on account of extremely poor recovery of dues which affects recycling of fund as well as flow of credit adversely.

(c) The problems of all Co-operative Banks, including those of NE Region, are being studied by a Task Force constituted for the purpose. Government will take a decision in the matter only after